

## Message Text

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PAGE 01 MEXICO 11703 141949Z  
ACTION ARA-14

INFO OCT-01 ISO-00 XMB-02 CIAE-00 EB-07 INR-07 LAB-04  
NSAE-00 SIL-01 /036 W  
-----056357 150241Z /61  
R 141950Z JUL 77  
FM AMEMBASSY MEXICO  
TO SECSTATE WASHDC 3520  
USDOC WASHDC  
INFO AMCONSUL MONTERREY

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DEPARTMENT PASS EXIMBANK

E.O. 11652:N/A  
TAGS: EMIN, ELAB, ECRP, MX  
SUBJECT: COMMENTS ON STRIKE SETTLEMENT AT FUNDIDORA  
MONTERREY

REF: A) MEXICO 11509, B) MONTERREY 0425, C)CERP 0539

1. SETTLEMENT OF 49 DAY STRIKE AT FUNDIDORA MONTERREY, TERMS OF WHICH ARE DESCRIBED IN REFTELS, IS WIDELY REGARDED AS MANAGEMENT VICTORY. INDUSTRY SOURCES REPORT FUNDIDORA HAD BEEN PREPARED TO OFFER 12 PERCENT TO BRING STRIKE TO QUICK END, BUT LOPEZ PORTILLO ADMINISTRATION INSISTED ON HOLDING TO 10 PERCENT WAGE INCREASE GUIDE-LINE. ACCORDING TO CARLOS PRIETO JACQUE, DIRECTOR GENERAL OF FUNDIDORA, SMALL DISSIDENT GROUP WITHIN MINING AND METALWORKERS UNION (SITMMSRM), WHICH IS AFFILIATED WITH THE CONGRESS OF LABOR, HAD BEEN HOLDING OUT FOR 16 PERCENT WAGE PLUS 100 PERCENT OF BACK PAY LOST DURING THE STRIKE, AND CERTAIN ADDITIONAL FRINGE BENEFITS BEYOND WHAT MANAGEMENT PREPARED TO OFFER. HOWEVER, MAJORITY OF WORKERS FORCED HOLD-OUTS TO CAPITULATE  
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ON MOST OF THESE POINTS TO BRING STRIKE TO END. PRIETO SAID NEWSPAPER REPORTS OF COMPANY'S LOSSES WERE EXAGGERATED, BUT HE COULD NOT YET STATE WHAT TOTAL DAMAGE TO FUNDIDORA WAS.

2. EL DIA OF JULY 13 REPORTS THAT NAPOLEON GOMEZ SADA, SECRETARY GENERAL OF SITMMSRM, WHO ORIGINALLY OPPOSED

STRIKE, SAID IT HAD NOT BEEN WORTHWHILE BECAUSE WORKERS GAINED ONLY FOUR MINOR CONCESSIONS BEYOND ORIGINAL CONTRACT OFFERED FUNDIDORA MANAGEMENT. ACCORDING TO GOMEZ SADA, THESE FOUR POINTS WERE: INCREASE OF 2 PERCENT (FROM 16 TO 18 PERCENT) IN SUBSIDY OF PURCHASES MADE AT COMPANY COOPERATIVE; RAISE OF 2 PERCENT (FROM 4 TO 6 PERCENT) IN INCENTIVE BONUSES; ESTABLISHMENT OF 3,125,000 MILLION PESO REVOLVING LOAN FUND, AND INCREASE OF 5 (FROM 65 TO 70) HOUSES TO BE BUILT BY FUNDIDORA FOR WORKERS. GOMEZ SADA DENIED TO EL DIA THERE HAD BEEN ANY DISSIDENT GROUP WITHIN SITMMSRM, AND BLAMED PRESS FOR INCORRECT REPORTING IN THIS REGARD. HOWEVER, HE HAD PREVIOUSLY ADMITTED TO LABATT THAT THE MONTERREY SECTION HAD DIFFERED WITH NATIONAL UNION ON ISSUE OF STRIKE, BUT INSISTED MONTERREY GROUP NOT LED BY EITHER CHRISTIAN DEMOCRAT (CLAT) OR MARXIST ELEMENTS. LUCEY

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STRIKE SETTLEMENT  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Reference:** 77 MEXICO 11509, 77 MONTERREY 425  
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**SAS ID:** 1862787  
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**Status:** NATIVE  
**Subject:** COMMENTS ON STRIKE SETTLEMENT AT FUNDIDORA MONTERREY  
**TAGS:** EMIN, ELAB, ECRP, MX  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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